

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	CASE NO. 8425-L
MOUNTAIN UTILITIES, INC.)	

O R D E R

On July 6, 1982, the Commission issued its Order in Case No. 8425 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On March 7, 1986, Mountain Utilities, Inc., ("Mountain") notified the Commission that its wholesale cost of gas would be increased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective March 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission. After reviewing the record filed in this case and being advised, the Commission is of the opinion and finds that:

(1) Mountain's notice of March 7, 1986, set out certain revisions in rates which Mountain proposed to place into effect, said rates being designed to pass on the wholesale increase in gas cost from its supplier in the amount of \$15,402 or 28.005 cents per Mcf.

(2) Kentucky West filed an application for increased rates to become effective March 1, 1986, with the Federal Energy Regulatory Commission ("FERC"). This increase is subject to refund.

(3) This Commission has filed a Notice of Intervention and Protest with the FERC concerning this rate increase from Kentucky West, in Docket No. RP86-52-000. Mountain's increase should be approved, subject to refund, pending the decision in this proceeding.

(4) Mountain's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8425 dated July 6, 1982, is fair, just and reasonable and in the public interest and should be effective March 27, 1986, subject to refund, rather than March 1, 1986, as Mountain requested. Mountain is required to give 20 days notice of an increase in rates pursuant to KRS 278.180.

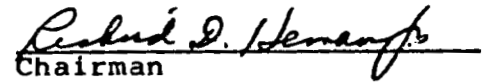
IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after March 27, 1986, subject to refund.

(2) Within 30 days of the date of this Order Mountain shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 2nd day of April, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8425-L DATED APRIL 2, 1986.

The following rates and charges are prescribed for the customers served by Mountain Utilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First	1 Mcf	\$6.7081 per Mcf
All Over	1 Mcf	5.9331 per Mcf

Minimum Bill: \$4.70
(When less than 1 Mcf is used)

The base rate for the future application of the purchased gas adjustment clause of Mountain Utilities, Inc., shall be:

Commodity

Kentucky West Virginia Gas Company	\$2.9375/Dth*
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*Including Gas Research Institute Funding Charge of \$0.0135 per Dth.